

## Connecticut Health Insurance Exchange Advisory Committee Small Employer Health Options Program “SHOP” **MEETING MINUTES**

Location: Legislative Office Building  
300 Capitol Avenue, Room 1C, Hartford, CT  
Date: Tuesday, June 12, 2012  
Time: 9:00 a.m.

### **Members Present**

Grant Ritter (Co-Chair), Schneider Institutes for Health Policy; Pam Russek (Co-Chair), PCR Consulting; Grant Ritter, Schneider Institutes for Health Policy; Mary Ellen Breault, CT Insurance Department; Antonio Paulo Pinto, Ellen Skinner, Yale University School of Management; John Fleig, United Healthcare Mid-Atlantic Health Plan; Lynn Marie Janczak, Learning Dynamics; Marta Maciuba, Aetna; Tim Pusch, Burns, Brooks & McNeil Agency; Patricia Pulisciano, TrueCare Insurance, LLC; Christopher McKiernan, Abercrombie, Burns, McKiernan & Co.; Marjorie Cole, Hartford Healthcare; Matthew Katz, Connecticut State Medical Society;

### **Members Absent**

Michael Devine, Founder and CEO, Earth Energy Alliance

### **Other Participants**

Tia Cintron, CT Health Insurance Exchange (HIX), Bob Carey, RL Carey Consulting, Nellie O’Gara, HES Advisors, Grant Porter, HIX Julie Lyons, HIX

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#### **I. Call to Order and Introductions**

Chairperson Pam Russek opened the meeting at 9:04 a.m. welcoming committee members. Members and staff introduced themselves. Ms. Russek expressed hope that the committee would be able to identify preferences and eliminate some of the purchasing model options in today’s meeting. Chairperson Russek requested a progress report by Tia Cintron regarding the recent Gate Review, as well as on the BHP.

Nellie O’Gara conducted a roll call to approve of the Committee’s guiding principles. Deidre Hardrick abstained from voting. All members present voted yes.

#### **II. Approval of Minutes**

Chairperson Russek made a motion to approve of the minutes of the May 14, 2012 meeting. Tony Pinto seconded the motion. **Motion passed unanimously.**

Bob Carey provided an update on the activities of the QHP committee. QHP members have requested additional data regarding benefit limitations, enrollment numbers and premium data, prior to making a decision around the EHBs. Discussion ensued around benefit limitations.

Mr. Carey noted that the State needs to determine the EHB package right away. Once this EHB package is defined, decisions around cost sharing will take place.

Tia Cintron provided an update on a recent trip by Staff to CCIIO for the State’s Federal Gate Review. The objective was to provide the Feds with a comprehensive overview of where the state is at operationally and otherwise. The State’s presentation was well received. The state will receive an evaluation of that Gate Review which will be shared with the committee.

### **III. General Overview of SHOP**

Ms. O’Gara moved the meeting into the next agenda item. Mr. Carey provided a general overview of the agenda for the meeting, which will include discussion of the purchasing model that might be offered through the SHOP Exchange, as well the potential to leverage existing resources currently in the CT marketplace, and expectations of enrollment in the SHOP Exchange.

Mr. Carey stated that the State has the option to move up the date of expansion of the small group if it so chooses which will be up to this committee to consider. Conversation ensued around tax credits for the employers. Employers with low-wage workers may be eligible for tax credits through the Exchange. For-profit employers may be eligible for tax credit worth up to 50% of employer’s share of premiums. Non-profits may receive tax credit up to 35%. Pattie Pulisciano informed the members that the tax credit breakdown is listed on the IRS website.

Mr. Carey provided an overview of the key functions of the SHOP Exchange reiterating the committee’s priority tasks ([SHOP priority tasks](#)).

Mr. Carey walked the group through the business of the Exchange. The Exchange is not just a website; enrollment will occur throughout the year in the small group market, and the rates change during the course of the year. Marta Maciuba noted that the Committee also has to make decisions around the definition of an eligible employee (using 1099 employees as an example). Conversation ensued.

Pattie Pulisciano posed a question with regard to the administrative cost of the Exchange. Mr. Carey stated that the State will need to determine the ability to leverage existing resources in the current marketplace—the administrative cost has not yet been determined. Conversation materialized around the administrative cost of the Exchange.

Mr. Carey discussed the merging of the two markets, in which it is up to this Committee to advise. Conversation ensued.

Mr. Carey discussed the current underwriting rules by insurers with regard to participation and contribution requirements. The Exchange will rely upon this committee to advise them on determining such minimum participation and contribution requirements. Conversation materialized around how other states have handled this determination.

Mr. Carey walked the committee through the purchasing models of the Exchange. Mr. Carey outlined the four potential purchasing models, in which federal law provides some flexibility.

1. Option 1: Offers One Carrier, One Plan – employer or broker views the plan and selects from either the platinum, gold, silver, or bronze plan. Conversation ensued around composite rate.
2. Option 2: offers One Carrier, Multiple Plans – allows an employer to select one carrier and then offer choice (multiple carriers) to the employees. Contribution is split between employer and employee. Conversation took place around ‘defined contribution’ health plans
3. Option 3: Multiple Carriers, One Plan Level – allow monthly premiums for single coverage. Employer allows for silver plan only but multiple carriers; required to be offered.
4. Option 4: All Carriers, All Plan Levels – locks in employers share.

Mr. Carey provided information on the state’s current small group market, in which there are approximately 300,000 people covered. Currently, four main insurers cover the majority of the small group market: Aetna, Anthem, Connecticare, and Oxford. Mr. Carey informed the committee that CBIA exists currently as a private

Exchange within the State. Two insurers currently participate in CBIA: Connecticare and Oxford—70,000 enrollees approximately.

Mr. Carey provided the group with key issues for the state to consider. It will need to be determined how many employees are offered coverage but do not take it. Need to determine how to attract more employers to offer coverage. Tim Push noted the tax credit as being an attractive benefit.

Chairperson Russek initiated a discussion on eliminating some of the purchasing model options. Members provided input on the various options. Members discussed whether CBIA offers option 4. Some members felt it was premature to eliminate options. It was discussed that option 4 is the riskiest with regard to adverse selection. Tim Pusch noted the need for the need to consider the administrative burden on employers not only at initial enrollment but throughout the year, noting simpler is better.

Chairperson Russek made a motion to work with purchase model numbers 2 and 3 as a working hypothesis and then look consider contribution and participation levels. The motion was seconded. **Motion passed.**

Tia Cintron asked the group if it would be helpful to invite CBIA for a discussion. Mr. Carey noted the importance of inviting carriers as well. It was agreed that members will submit to Staff their questions to CBIA as well as carriers by close of business this week.

#### **IV. Next Steps**

Ms. O’Gara provided an overview of the data points collected during the meeting. Members are requesting:

1. Information on where the market is at in terms of deductibles and premiums and co-insurance of the 4 plans selling in the small group market. Mr. Carey noted that an actuarial firm will be submitting a data request to the carriers which will take some time.
2. Assessment of the cost of administering the SHOP. Mr. Carey noted staff can pull existing information of potential costs to administer the program;
3. Question about existing exemptions—clarification of who might be exempt under what conditions, as well as clarify the tax consequences, credits, and ability to deduct the premiums

Chairperson Russek suggested drafting proposals for participation and contribution levels. Also need to identify other options of leverage beyond CBIA as a way of easing some of the administrative burden, i.e. components of the brokerage community and so forth.

#### **V. Public Comment**

Arlene Murphy provided a public comment. Arlene Murphy represents the Consumer Experience and Outreach Advisory Committee.

#### **VI. Adjournment**

Chairperson Russek made a motion to adjourn the meeting. **Motion passed unanimously.** The meeting was adjourned at 10:55 a.m.

#### **Resources**

[Agenda](#)

[Presentation](#)

[SHOP Briefing](#)

[Transcripts](#)

*Connecticut Health Insurance Exchange*  
As approved by the Small Employer Health  
Options Program Advisory Committee on July 11, 2012

*Wednesday, July 11, 2012 at 1:00p.m.*